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Senate introduces legislation package to assist recovery of manufacturing and tool & die industries

Lansing – Members of the Michigan Senate introduced a package of bills Thursday aimed at helping the manufacturing and tool & die industries recover, Sen. Michelle McManus (R-Lake Leelanau) announced.

SB 813, sponsored by McManus, would remove penalties on fabricated steel such as that used for girders in buildings. Specifically, it removes the tax on the labor to manufacture the steel.

“By removing this tax, Michigan’s fabricators become more competitive with other states,” McManus said. “A more competitive industry will be more successful, which will bring more job opportunities to Michigan.”

Being home to the Big 3 Automakers, Michigan has naturally been a place for manufacturing and tool & die businesses to set up shop. Due to competition from foreign countries such as China, where the industry is subsidized by the government, manufacturing industries have been at a substantial disadvantage.

Other components of the eight-bill package will:

- Establish Tool & Die Recovery Zones to provide tax relief similar to the successful Renaissance Zone program, allowing a tax reduction to help keep in the industry competitive while providing incentives for businesses to collaborate for efficiency.
- Create a new exemption in the Personal Property Tax Act, allowing the equipment required by tool & die manufacturers to be exempt from the personal property tax. This will allow for increased competitiveness and additional job opportunities.
- Increase the apprentice training credit in the Single Business Tax (SBT). A better trained workforce will entice employers to locate in Michigan, leading to more job opportunities.
- Alter the state tax code by providing depreciation tables that mirror federal tables for the tool & die industry.

- Establish a credit in the SBT for businesses or corporations for paying up front for services from tool & die cooperatives.
- Amend the Michigan Broadband Development Authority Act by offering grants to qualified tool & die businesses. Capitalizing on technological advances will help businesses compete in the global market and create more job opportunities.
- Allow skilled trades to present information at college and career nights at high schools. Being able to attract a young, well-educated workforce interested in manufacturing careers will appeal to companies looking to relocate to Michigan.

The package also contains three resolutions to Congress encouraging them to develop economic incentives and other programs to aid in the recovery and stabilization of the manufacturing industry. Michigan accounts for nearly one-quarter of all jobs lost in the nation recently.

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